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NPIC/TSSG/RED-1850-69
3 October 1969

MEMORANDUM FOR : Chief, Planning, Programming & Budgeting Staff

THROUGH : Chief, Technical Services & Support Group

25X1 SUBJECT : [] Advanced Rhomboids

1. The following information is forwarded with regard to your request for additional information related to our recently published projections of the amount of time required for procurement and delivery of production quantities of advanced Rhomboid packages.

2. On 2 October I contacted [] and discussed what possible actions could be taken to reduce the total delivery time. It would appear that by certain approaches which might prove somewhat more expensive - that up to a maximum of 3 months could be deleted from [] original projection of 9 months from start of the contract till the actual start of production of 20 units per month. [] also suggested that by the mechanism of setting up dual production lines that we might increase deliveries per month by up to a factor of 2, i.e., 40 units per month once the production lines are working at full speed. With regards to the last projected schedule we recently supplied you, the following facts should be understood:

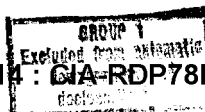
a. This schedule is only our best estimation. This is a conservative estimation and allows for proper test and evaluation and a certain amount of redesign -- conservative, prudent steps which could result in a superior and less expensive product.

b. The time incorporated in these steps can be reduced; some of the steps can be run in parallel and the modifications, if required, can be performed by using the medium of a pre-production prototype.

However, it must be understood that these less cautious approaches also introduce some degree of technical risk and may result in cost escalation. Changes in this approach could lead to savings up to a maximum of three months. Adding these savings together with reduced production lead time could reduce our projection by up to a maximum of 6 months.

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SUBJECT : Advanced Rhomboids

3. The following is a list of things that could be done in an attempt to expedite an earlier delivery date. We have included an estimated time savings and a statement of the risk involved.

<u>Approach</u>	<u>Time Savings</u>	<u>Technical Risk</u>
a. Reduce the amount of time for test and evaluation, mainly in the area of the operational evaluation by components other than IEG -- mainly those involved in joint procurement, i.e., IAS, DIAP, SPAD, NRTSC.	4 to 6 Weeks	Increase the risk of missing something during operational evaluation and possibly increase the ultimate cost of production units by decreasing the total number procured through joint procurement.
b. Utilize a team concept and perform an operational evaluation in IEG on a crash basis.	1 to 2 Weeks	Fewer people would get a chance to evaluate the equipment. We lose "technical feed back."
c. Utilize the mechanism of a pre-production prototype so that it isn't necessary to go through a modification phase on the original prototype, i.e., make minor changes on the production version rather than the prototype.	3 to 5 Weeks	More chance of lower quality in the production versions, and could result in additional costs.
d. Permit some production engineering -- changing engineering drawings to manufacturing drawings, value engineering, etc. to take place while the test and evaluation is going on.	4 to 6 Weeks	If the prototype is unacceptable, this effort will be wasted.
e. Permit contractor to order long lead items such as optic glasses and prismatic assemblies prior to starting production run.	4 to 6 Weeks	If the situation should arrive that the project should have to be terminated, we should have a lot of parts on hand and would probably not be able to recover much of their cost.

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<u>Approach</u>	<u>Time Savings</u>	<u>Technical Risk</u>
f. Offer contractual delivery incentives.	Intangible	Time may become more important to the contractor than quality.

25X1 5. A word of caution - in RED's experience, [] has seldom been able to meet a tight schedule. As a consequence, we may have to allow 4 to 6 weeks additional to their 5 months' development estimate for the prototype; this is based upon previous experience factors.

25X1 6. Before any of these items or approaches could be implemented, they need to be discussed with [] C/SC&PS, to thoroughly understand their contractual implications.

[]
Deputy Chief, Research & Engineering Division, TSSG

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